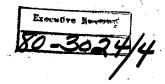
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The Director of Central Intelligence

Washington, D. C. 20505



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	•	20 March 1980		
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MEMORANDUM FOR:	Deputy Assistant to t for National Securi			
SUBJECT:	Economic Implications Olympic-related Pay			25X
		· · · · · · · · · · · · · · · · · · ·		
You asked for from making Olymp They are:	or our reactions to ac pic-related payments t	ctions forbidding to the USSR (IEEP	JU.S. companies 'A or otherwise).	
	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	· :	25
the dollar of exchange may inflation ar US economic the short rusince the anthe action wextension of	ere would be no percepover the long run and rkets in the short run nd the market's percep policy will determine un, any impact would be mount of dollars involvould probably be percept US policy not to par	probably little of Over time, re otion of the effe the value of th oe psychological lived is insignifi ceived as simply rticipate in the	impact on elative rates of ectiveness of e dollar. In and short-lived cant. In fact, a natural games.	25)
on Soviet ar Previous US of superphos on US import United State US firms sho	ch an action would at add East European trade actions, particularly sphoric acid to the US ts of Soviet ammonia, es is an unreliable subuld be limited to itempic-related payments	e with the United the suspension SSR and imposition have convinced tupplier and that ems not available	States. of US exports n of a ceiling he USSR that the contracts with elsewhere.	25>
4. Jud "retaliation	lging by Soviet reacting by Moscow, if any,	ons to previous would be limited	US actions, . The USSR does	
			··	25X

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Review on 20 Mar 1986

not wish to provoke the ill will of US business and, just as importantly, wishes to demonstrate to other Western firms and governments that it will remain a reliable trading partner during periods of political tension. East European countries will continue to trade with the United States as long as such trade is economically beneficial to them; Moscow would be hesitant to use Eastern Europe as a tool at a time when East European economic growth is itself dependent on maximizing the gains to be made from trade with the West.

STANSFIÉLD TURNER

25**X**1

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